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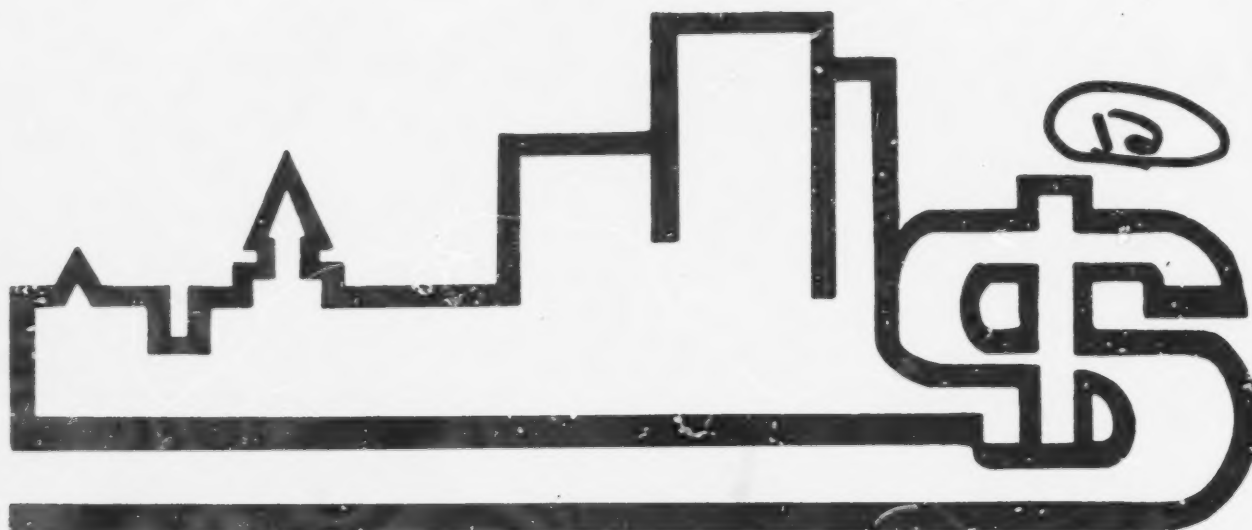
U.S. Department of Housing and Urban Development
Office of Policy Development and Research

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Financial Management Capacity Sharing Program

ORIGINAL



FINANCIAL MANAGEMENT CAPACITY SHARING PROGRAM

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF POLICY DEVELOPMENT AND RESEARCH

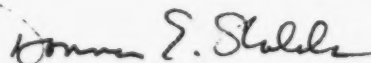
SEPTEMBER 1979

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FOREWORD

Here, in a very few words, is a guide to our Financial Management Capacity Sharing Program. As you read through it, you will understand my enthusiasm for the program. We believe it is practical, sharply focused, directly responsive to your needs. And it works.

It also breaks with tradition. We have all heard that in trying to get information from the Federal bureaucracy, you must expect to make seven calls: the first three to find out who you shouldn't be talking to, the next three to identify the person you should be talking to, and the seventh to reach the right person and the right answer. This guide names names and gives phone numbers. Call them.



Donna E. Shalala
Assistant Secretary for
Policy Development and Research

FINANCIAL MANAGEMENT CAPACITY SHARING PROGRAM

Using This Guide

The Financial Management Capacity Sharing Program has assembled a variety of successful methods used to manage local government finances and makes them available through conferences, workshops, publications, networks and telephone inquiry service. They involve local, state and federal program activities.

This guide describes each activity briefly, identifies the sponsor and lists the name and phone number of responsible persons to contact for more information on each activity.

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Program Design

The Local Government Financial Management Capacity Sharing Program (FMCS), sponsored by HUD's Office of Policy Development and Research, is designed to help officials improve their financial management practices. Its major objectives are to

- encourage the sharing, adaptation and use of modern financial practices by local officials, and
- reduce federal and state barriers to local government use of modern financial management practices.

HUD and several groups representing state and local government have been working together over the past year to meet these objectives. During the first stage, local government officials and others identified their financial management needs, ranked them and helped design a program to meet these needs.

The top ten priority needs, as determined by a national conference sponsored by HUD for local officials in June, 1978, are:

- revenue and expenditure forecasting;
- integration of budgeting, accounting, reporting and performance measurement;
- intergovernmental relations (federal and state);
- integrated capital planning;
- responding to property tax increases;
- insurance and risk management;

- financial condition indicators;
- automated data processing; 4
- pensions; and
- costs of mandated programs.

The FMCS program adheres to the following guidelines:

- consult extensively with local officials to identify needs and develop program
- work with and through existing training and technical assistance providers
- use practitioner identification and assessment of exemplary financial management practices
- design information packages to meet the needs of specific audiences - mayors, councils, city managers and finance officers

To support these efforts, HUD has contracted with a number of public interest groups, the Advisory Commission on Intergovernmental Relations and others. The following is a list of groups involved in the FMCS program: Municipal Finance Officers Association, International City Management Association, United States Conference of Mayors, National League of Cities, Public Technology, Inc./Urban Consortium, National Training and Development Service, National Association of Counties, Council of State Community Affairs Agencies, National Association of Housing and Redevelopment Officials, National Academy of Public Administration and the Joint Center for Political Studies.

In addition, HUD encourages other groups, such as state and regional associations of local officials, institutes of government and departments of community affairs, to participate in the program.

The FMCS program makes information available through a wide variety of mechanisms:

- broad dissemination through conferences, workshops, newsletters and publications
- individual responses based on existing material and practices
- individualized expert consultation on state of the art or controversial issues.

LOCAL FINANCIAL MANAGEMENT ACTIVITIES

Current projects which are designed to help local governments share, adapt and use modern financial management practices include:

Financial Management Resource Center

. . . national contact point for technical support. The Municipal Finance Officers Association (MFOA) locates, assesses and makes available current financial management information to HUD, public interest groups and other organizations which provide training and technical assistance to state and local officials. Resources include agendas, experts, publications and audio-visuals for state and regional conference sponsors. Resource Center services are:

- Financial Management Library of resource materials, annotated bibliographies and research publications
- Quick response research and fact sheets to fill gaps in available financial management literature
- Bimonthly newsletter, Resources in Review, with reviews of recent publications, updates on recent events and a calendar of upcoming meetings and training sessions in financial management
- Financial management experts to provide consultation, limited training and technical services to state and local governments
- Inquiry Services: Call (202) 466-2494

Training and technical assistance providers, public interest group representatives and HUD staff may use the inquiry service to get assistance for state and local financial management problems. Local officials are encouraged to participate in the Resource Center through their public interest groups. For answers to specific questions, they may call the Technical Support Service: (202) 466-2494.

MFOA's Government Finance Research Center contacts: Phil Rosenberg or Lisa Cole (202) 466-2494. HUD contact: Hartley Fitts (202) 755-5522.

Trainers Resource Exchange

. . . a clearinghouse specifically for financial management trainers and assistance providers. The National Training and Development Service (NTDS) locates, catalogues and disseminates training resources. It produces a directory of state and local government trainers in financial

management; a bimonthly publication, Resource Briefs, to highlight training programs which have been reviewed; and a telephone inquiry service to answer specific training-related questions.

NTDS contact: Lesley G. Price (202) 628-0060. Telephone Inquiry Service: (202) 628-0060. HUD contact: Earl W. Lindveit (202) 755-5613.

Regional Workshops for Urban Managers

Public Technology Incorporated (PTI) is conducting three regional workshops on multi-year revenue and expenditure forecasting. The two remaining are:

San Francisco - August 23-24, 1979
Pittsburgh - September 27-28, 1979

Designed for senior management officials in both the mayor's or manager's office and the budget or financial management office in large jurisdictions, researchers experienced in these systems and officials interested in instituting similar concepts, the workshops will produce reports including descriptions and assessments of selected forecasting approaches and recommendations for materials, training and technical assistance.

PTI contact: Bruce Steinthal (202) 452-7765. HUD contact: Steve Yedinak (202) 755-5522.

PTI is conducting four regional workshops on performance measurement. The three remaining are:

Chicago - August 16-17, 1979
San Jose - September 20-21, 1979
New Orleans - October 11-12, 1979

Planned for senior management officials from larger cities and counties (city managers and assistants, mayoral assistants, budget and finance directors, department and division heads and program managers) for the purpose of sharing experiences in using performance measurement in decision making and helping jurisdictions to get started or improve their practices, the workshops will produce written reports available to interested localities.

PTI contact: Ken Steil (202) 452-7759. HUD contact: Paul Epstein (202) 755-5547.

Exemplary Practices and Workshops

. . . a three-stage process conducted by the International City Management Association. ICMA is identifying exemplary practices significant to managers in small and medium sized localities; conducting workshops

to screen and assess projects and assist their transfer; and publishing the most useful practices. Topics include forecasting, fiscal policy analysis, capital improvement programming, performance measurement, etc. Schedule for the workshops:

Atlanta - September 5, 1979
 Los Angeles - September 12, 1979
 Denver - September 19, 1979
 Minneapolis - September 27, 1979

ICMA contact: Carl Valente (202) 828-3626. HUD contact: Charles McKenzie (202) 755-5613.

Networks for Local Officials

. . . to provide four levels of training and technical assistance through existing institutions which can affect the practices of local policy makers.

Level one: Resource Packages. Technical assistance is provided by the Resource Center and resource packages composed of general financial management information, specific analysis of problems and self-assessment checklists. The resource packages will be developed, tested and disseminated separately for mayors, city council members and county officials from small and medium sized communities.

Level two: Workshops. The Resource Center and NTDS will provide materials and trainer/experts to conduct workshops at state meetings for city and county policy makers.

Level three: On-site Technical Assistance. The Resource Center will provide a facilitator/expert for one day on-site technical assistance to a limited number of communities interested in making financial management improvements as a follow-up to workshops and utilization of resource packages.

Resource package contacts: National Association of Counties: Shelley Kossak (202) 785-9577. U.S. Conference of Mayors: Marta Goldsmith (202) 293-7730. National League of Cities: Todd Areson (202) 293-7635. HUD contact: Edwin Stromberg (202) 755-5613.

Level four: Intrastate Networks. Intrastate networks will deliver in-depth on-site technical assistance to local governments. The FMCS program will fund several existing state or regional organizations to demonstrate that a public sector organization can improve local government financial capability through a network of resources. The program plans to award five grants to different kinds of technical assistance organizations to provide individual assistance to general purpose local governments within a state.

HUD contact: Edwin A. Stromberg (202) 755-5613.

Financial Management Digest

. . . this periodical will help busy officials to learn about new developments in the field by condensing such information to its essence.

HUD contact: Beverly Beidler (202) 755-5522.

Other Publications

Several publications are being developed under HUD sponsorship to fill the gaps in integrating key financial management functions:

- Set of documents on integrating budgeting, accounting, auditing and performance measurement, including a basic guide for practitioners, overviews for elected officials, an instructor's manual for using the materials in academic programs and a workshop facilitator's manual for using the materials in short training sessions.

HUD contact: Steve Yedinak (202) 755-5522.

- Set of documents on the uses of performance measurement in local government decision-making, including a detailed and a summary report and a report describing low cost performance measurement and reporting techniques for smaller jurisdictions.

HUD contact: Paul Epstein (202) 755-5547.

- For titles of financial management reports already published, see bibliography, "Financial Management Capacity Sharing Program Selected Bibliography."

National Conferences

HUD is sponsoring a series of financial management conferences to share up-to-date material and successful practices identified under the Financial Management Capacity Sharing Program. Designed particularly for individuals and organizations providing financial management assistance to state and local governments, the conferences also benefit local officials concerned with implementing improvements in their jurisdictions. The first conference was held June 7-8 in Detroit. Following the conferences, reports of the proceedings will be published.

HUD contacts: Hartley C. Fitts (202) 755-5522 or Melvin Howard (202) 755-5547.

STATE ROLE IN LOCAL FINANCIAL MANAGEMENT

Current projects to remove state barriers to local government use of modern financial management practices are based on a three-fold strategy:

- identify, examine and assess the impact of the state role in local financial management
- draft and disseminate state legislation in major areas of local government financial management and encourage its adoption and implementation
- assist state agencies designated to provide financial management assistance to local government to implement changes provided for by state legislation.

The projects include:

The Council of State Community Affairs Agencies (COSCAA) has produced and disseminated ten case studies and an overview on the role of Departments of Community Affairs in providing local financial management assistance.

The Municipal Finance Officers Association has completed a project on the State Role in Local Financial Management.

The Council of State Governments (CSG) has completed its survey of users of State and Local financial reports.

The Advisory Commission on Intergovernmental Relations (ACIR) has drafted 19 pieces of state legislation.

ACIR, the National Conference of State Legislatures (NCSL) and the National Governors' Association (NGA) are cooperating in providing on-site technical assistance and grants to a number of states in support of improved legislation in major areas of local government financial management.

State program contacts: Advisory Commission on Intergovernmental Relations: Maurice White (202) 653-5536. National Conference of State Legislatures: Ken Kirkland (303) 623-6600. National Governors Association: Tim Knaus (202) 624-5395. HUD contact: Alan Siegel (202) 755-5613. COSCAA contact: Kris Balderston (202) 624-5850.

FEDERAL ROLE IN LOCAL FINANCIAL MANAGEMENT

The federal strategy is to reduce financial management stress on local government by encouraging streamlined federal grant requirements and supporting a conceptual framework and modern standards for structuring generally accepted accounting principles for localities. Local governments stressed this problem at the June, 1978 needs assessment conference, citing the multiplicity of auditing requirements for federal and state programs, variations in fiscal years among local governments and antiquated regulations.

An advisory task force of federal agencies will survey federal and state compliance problems with OMB Circular A-102 (on standardized reporting) and work on implementing recommendations.

HUD contact: Charles McKenzie (202) 755-5613.

HUD has awarded a \$1.2 million, three-year grant to the National Council on Governmental Accounting (NCGA), with the Financial Accounting Standards Board (FASB), to produce and begin implementing a conceptual framework and a set of standards for local government accounting. After public hearings and local acceptance of standards, the FMCS program will encourage the federal and state governments to accept the standards as the basis for grant reporting, and a systematic effort will be made to implement the standards through FMCS program's legislative project.

HUD contact: Edwin A. Stromberg (202) 755-5613.

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EVALUATION

The National Academy of Public Administration (NAPA) is providing an ongoing evaluation of HUD's State and Local Government Financial Management Capacity Sharing Program. The effort is conducted through an evaluation panel, relies primarily on the personal observations and expert judgments of the panel members and is supported by the independent analyses and assessments of the NAPA staff. State and local government officials, representatives of organizations who provide training and assistance to state and local governments and researchers make up the panel.

The Financial Management Capacity Sharing Program is designed to help you. If you have problems using the services, or suggestions to improve them, we would like to hear from you. Please call:

Alan R. Siegel, Director
Division of Government Capacity Building
Office of Policy Development and Research
Department of Housing and Urban Development
(202) 755-5613

or

Hartley C. Fitts, Program Manager
Division of Government Capacity Building
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